

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
Sacramento, CA 94250-5878

DATE: January 26, 2007

PAYROLL LETTER #07-004
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Don Scheppmann, Chief
Personnel/Payroll Services Division

RE: **FLEX ELECT ADMINISTRATIVE FEE ARREARS DEDUCTION**

Effective January 1, 2007, the Department of Personnel Administration (DPA) Personnel Management Liaison (PML) #06-028 announced a FlexElect administrative fee increase from \$1.00 to \$2.50 for employees enrolled in a FlexElect Reimbursement Account and/or a FlexElect Cash Option Account. The State Controller's Office (SCO) processed the FlexElect administrative fee increase in the December 2006 pay period. Subsequently, the SCO identified a group of employees that were not charged the new administrative fee.

To correct the deduction amount for the December 2006 pay period, the SCO has applied an administrative fee adjustment for the January 2007 pay period. A one-time arrears deduction of \$1.50 for Deduction/Organization Code 349-001 has been processed. As a result, regular pay for the January 2007 pay period will have a total of \$4.00 in FlexElect administrative fees (\$1.50 for the arrears December 2006 pay period deduction and \$2.50 for the January 2007 pay period deduction) withheld for those affected employees. Employees not subject to the arrears deduction will continue to have the \$2.50 monthly FlexElect administrative fee.

If you have questions concerning this letter, please contact Lorena Medina at (916) 324-5879 or by email at lmedina@sco.ca.gov. For questions concerning the FlexElect administrative fee, please reference DPA PML #06-028.

DS:LM:PMAB